

Message Text

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SUBJECT: PRESS REPORTS MAINE REJECTS EASTPORT REFINERY PLAN

SUMMARY: TORONTO PAPER MARCH 13 REPORTS MAINE ENVIRONMENT BOARD ON MARCH 12 REJECTED PITTSTON DESIGN FOR UNLOADING CRUDE OIL AT EASTPORT, BUT SAID IT WOULD CONSIDER AMENDED APPLICATION COVERING ALTERNATIVE CRUDE DELIVERY SYSTEM. REPORT QUOTES BOARD MEMBER AS STATING "THERE WILL BE AN OIL REFINERY AT EASTPORT" ONCE DELIVERY SYSTEM PERFECTED. PITTSTON OFFICIAL REPORTEDLY DISAPPOINTED BUT SAYS PITTSTON WILL SEEK REOPENING OF HEARINGS HAVING SPENT TOO MUCH ON PROJECT TO DROP IT NOW. END SUMMARY

1. FOLLOWING IS TEXT OF TORONTO GLOBE AND MAIL ARTICLE MARCH 13 DATELINED AUGUSTA, MAINE, AND HEADLINED "MAINE REJECTS REFINERY PLAN OVER POTENTIAL FOR POLLUTION."

"THE MAINE BOARD OF ENVIRONMENTAL PROTECTION HAS UNANIMOUSLY VOTED TO REJECT THE PROPOSAL FOR A \$500-MILLION PITTISTON OIL REFINERY AT EASTPORT, ME., BUT LEFT THE DOOR OPEN FOR EVENTUAL APPROVAL OF A REVISED PLAN.

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"ALTHOUGH THE ENVIRONMENT BOARD APPROVED THE

PHYSICAL FACILITIES AND PRODUCT PIERS, IT REJECTED THE PROPOSED DESIGN OF THE PIERS FOR UNLOADING CRUDE OIL. IN THE 24-PAGE ORDER, THE STATE'S ENVIRONMENTAL PANEL QUESTIONED THE ABILITY OF PITTSTON TO DO ALL IT SAID IT COULD IN THE EVENT OF AN OIL SPILL.

"THE ORDER SAID THE BOARD WOULD CONSIDER AN AMENDMENT TO THE APPLICATION OF THE PITTSTON CO. DEALING SOLELY WITH THE CRUDE OIL DELIVERY SYSTEM, BUT ANY SUCH AMENDMENT SHOULD, AT A MINIMUM, INCLUDE SUBSTANTIAL INFORMATION ON ALTERNATIVE METHODS OF CRUDE OIL SHIPMENT SUCH AS SINGLE-POINT MOORING AND SMALLER TANKERS, ALONG WITH THE ALTERNATIVE PIER LOCATIONS AND OIL-SPILL CONTROL AND CLEANUP SYSTEMS.

"IN APPROVING THE REFINERY, THE BOARD SAID THAT ALL VESSELS MUST BE PROVIDED WITH SEGREGATED BALLAST TANKS AND DOUBLE BOTTOMS BEFORE THEY WOULD ALLOW THEM TO COME IN AT EASTPORT AND THAT THE BOARD WOULD APPOINT A HARBOR CONTROL SUPERVISOR TO MONITOR THE OPERATIONS IF THE FACILITY IS ULTIMATELY APPROVED.

"THE BOARD SAID THAT BEFORE IT WOULD GIVE FINAL APPROVAL TO THE PROJECT, PITTSTON WOULD HAVE TO UNDERTAKE AN OIL CLEANUP TESTING PROGRAM USING SOYBEAN OIL OR OTHER NON-HAZARDOUS SUBSTANCES WITH PROPERTIES SIMILAR TO THE OIL TO BE HANDLED, BOTH IN HEAD HARBOR PASSAGE AND AT THE TERMINAL FACILITIES.

"THE ONE BOARD MEMBER WHO COULD CHANGE THE VOTE, FORMER NAVAL CAPTAIN CHARLES SYMAN, SAYS 'THERE WILL BE AN OIL REFINER AT EASTPORT, BUT THEY MUST PERFECT THE OIL DELIVERY SYSTEM FIRST.'

"MR. SYMAN SAYS HE WANTS TO BE ABSOLUTELY SURE PITTSTON WILL HAVE 'THE SAFEST POSSIBLE OIL HANDLING CAPABILITIES AVAILABLE' AND THAT IN NO WAY IS HE AGAINST THE REFINERY.

"DURING DISCUSSION OF THE ISSUE, HE SAID THAT
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EASTPORT AND ITS APPROACHES THROUGH HEAD HARBOR PASSAGE IS FAR SAFER THAN MANY EXISTING SUPERTANKER PORTS IN THE WORLD.

"FOLLOWING THE BOARD'S VOTE, PITTSTON VICE-PRESIDENT A.F. KAULICUS SAID HE WAS 'VERY DISAPPOINTED AND DISCOURAGED' ABOUT THE VOTE. BASICALLY, HE SAID, PITTSTON DOES NOT HAVE A PROJECT AND HE IS NOT OPTIMISTIC ABOUT

GETTING ONE, BUT THAT WITHIN A WEEK IT WILL APPLY TO
THE BOARD TO REOPEN THE HEARINGS FOR ADDITIONAL TESTIMONY
ON THE COMPANY'S OIL DELIVERY SYSTEM. MR. KAULICUS SAID
THE COMPANY HAS PUT TOGETHER A SYSTEM IT CONSIDERS ONE
OF THE FINEST IN THE WORLD AND HE WELCOMES THE CHANCE
TO EXPLAIN HIS POSITION TO THE BOARD MORE FORCEFULLY.

"THE PITTSTON OFFICIAL SAID THE COMPANY HAS SPENT
TOO MUCH MONEY ON THE PROJECT TO DROP IT AT THIS POINT."
PORTER

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